REMARKS/ARGUMENTS

The Office Action mailed July 11, 2005 has been reviewed and carefully considered. Claims 1-20, 28-34, and 37 were previously canceled. Claim 27 is canceled by the present amendment and claim 21 is amended. Claims 21-26, 35-36, and 38 are pending in this application, with claim 21 being the only independent claim. Reconsideration of the above-identified application in view of the above amendments and the following remarks is respectfully requested.

In the Office Action mailed July 11, 2005, claims 21-28 and 35-37 stand rejected under 35 U.S.C. §103 as unpatentable over U.S. Patent No. 6,463,078 (Engstrom) in view of U.S. Patent No. 6,659,861 (Faris).

Independent claim 21 is amended to include the recitations of dependent claim 27 and now recites a plurality of terminals and the step of "implementing a delay time in the transmission of messages for simulating transmission delays in the virtual recreation environment, the delay time simulating a transmission delay based on a virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment".

As stated in MPEP §2143, to establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the reference teachings. Second there must be a reasonable expectation of success. Finally, the prior art reference (or references when combines) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

It is respectfully submitted that independent claim 21 is allowable over Engstrom and Faris because the combined teachings of Engstrom and Faris fail to teach or suggest the step of "implementing a delay time in the transmission of messages for simulating transmission delays in the virtual recreation environment, the delay time simulating a transmission delay based on a virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment".

Engstrom discloses a method for switching protocols transparently in multi-user application. Engstrom recognizes problems related to latency, i.e., delays in sending messages back and forth over the Internet (see col. 1, lines 29-36). Accordingly, Engstrom teaches that it is important to minimize the latency or delay. To accomplish this object, Engstrom discloses changing communication protocols to reduce latency and improve transmission bandwidth (col. 5, lines 21-25). Accordingly, Engstrom does not actually implement a delay. Rather, Engstrom changes the inherent delay times by changing protocols which minimize latency. Since Engstrom teaches that it is important to minimize the delay, there is no motivation for implementing a delay in Engstrom. Accordingly, Engstrom fails to disclose teach or suggest "implementing a delay time in the transmission of messages for simulating transmission delays in the virtual recreation environment, the delay time simulating a transmission delay based on a virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment", as expressly recited in independent claim 1.

Faris fails to disclose what Engstrom lacks.

Faris discloses a system for enabling a time-constrained competition among a plurality of contestants over the Internet. Faris recognizes six factors which promote unfairness between competitors. To overcome the inherent unfairness, Faris discloses means for controlling

and measuring certain time-based elements of the contest (col. 16, lines 56-58). According to Faris, this is accomplished by specifying the precise instant at which a query is presented to the contestant (col. 16, lines 58-61). This instant of time is referred to as a "start time" in Faris (col. 16, lines 62-65). Faris further discloses precisely determining the length of time between the start time and the instant that each contestant submits a response, which is referred to in Faris as the "finish time" (col. 16, lines 66 to col. 17, line 3). The length of time between the start time and finish time is referred to as the "response time". Therefore, to avoid the effects of differences in actual transmission time and latency, this portion of Faris discloses that the actual response time at the client device is measured. This embodiment fails to disclose implementing a delay.

Col. 39, line 64 to col. 40, line 6 of Faris further discloses a method of distributing time signals to compensate for network latency. According to this embodiment, the local clock of all the contestants is synchronized with a game server or some other central clock. At a predetermined start time, the information is presented to all users simultaneously. This embodiment of Faris discloses only implementing controls to compensate for actual latency between two terminals. Instead of implementing a delay time in the transmission of message, this embodiment discloses that the transmission is made to the client and that the client presents the information to the user at the desired start time so that all users receive the information at the same time (see col. 34, line 55, to col. 35, line 26). This embodiment of Faris discloses a delay in the presentation of the information. Even if this is considered to be a transmission delay, which applicant does not believe, the delay is not based on a " virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment". Therefore, this embodiment of Faris fails to disclose "implementing a delay time in the transmission of messages for simulating transmission delays in the virtual recreation environment, the delay time simulating a transmission delay based

on a virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment", as expressly recited in independent claim 21.

The time-synchronized trading system beginning at col. 46, line 38, of Faris discloses the same steps as the general steps disclosed with reference to Fig. 4. Accordingly, Faris discloses alternate methods for addressing the problems associated with different latencies and time delays of various clients using the same game or other application. However, none of the methods disclosed by Faris include the limitation "implementing a delay time in the transmission of messages for simulating transmission delays in the virtual recreation environment, the delay time simulating a transmission delay based on a virtual distance between the virtual locations of the first and second terminals in the virtual recreation environment", as expressly recited in independent claim 21.

In view of the above amendments and remarks, it is respectfully submitted that independent claim 21 is allowable over Engstrom in view of Faris.

Dependent claims 22-27, 35-36, and 38, being dependent on independent claim 21, are deemed allowable for at least the same reasons expressed above with respect to independent claim 21.

Dependent claim 39 further recites "means for linking a terminal's actual location to a virtual location in the virtual recreation environment". Neither Engstrom nor Faris disclose this feature.

The application is now deemed to be in condition for allowance and notice to that effect is solicited.

It is believed that no fees or charges are required at this time in connection with the present application. However, if any fees or charges are required at this time, they may be charged to our Patent and Trademark Office Deposit Account No. 03-2412.

Respectfully submitted,

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